

National Lighting Partner Meeting April 26-28, 2004

Jeffrey Schwartz, ICF Consulting, Former Showroom and Distributor Owner and Currently lead for EPA's Showroom and Distributor Initiatives



Showrooms

- Lighting showrooms focus on a front door approach to consumers, but for volume and profits many rely on the back door sales to production builders.
- Because lighting is their sole source of income, they
 often have the most knowledgeable sales force.
- The lighting showroom has the unique opportunity to display and <u>demonstrate</u> ENERGY STAR qualified fans and fixtures to the builder.





ENERGY STAR

Electrical Distributors

- The electrical distributors focus on a back door approach, supplying the builder or builder's contractor with everything from the panel box, to the outlets and switches.
- Lighting is not their highest priority, but many see it as a source for additional sales and profits.
- Some have their own retail showrooms, or builder showrooms.
- The electrical distributor often has the "ear" of the builder or builder's contractor and therefore the opportunity to present new ideas.







New Construction Business



- Some New Construction Business is based on price:
 - Projects are sent out to bid
 - Sales people solicit new business based on price
 - These situations limit the opportunities for ENERGY STAR unless it is specified or incentives are available to offset price differences.
 - This is where the utilities and government partners have an opportunity to influence the market.
 - Even when price is the dominant motivator, the ability to offer a builder <u>a way to distinguish themselves</u> in a market can result in higher dollar sales for the showroom or distributor.



New Construction Business



- Some New Construction Business is based on relationships:
 - The showroom or distributor has a relationship with the builder or builder's contractor and is able to present new products, new ideas, or opportunities for "upgrades."
 - The sophisticated supplier can do this on their own, while others need the help of manufacturers or their rep agencies.
 - By working with these suppliers, manufacturers and utilities can form a powerful and successful partnership to promote and sell ENERGY STAR fixtures and the Advanced Lighting Package.

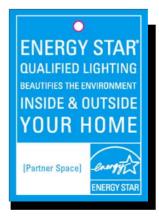




Keys To Success

- The successful showrooms and electrical distributors have some, or all, of these elements in common:
 - Large selection and stock of products for the builder to choose from
 - Displays in their showroom or builder showroom to show and <u>demonstrate</u> the product to the builder
 - Knowledgeable salespeople to explain the products and benefits
 - Complete program including:
 Incentives to promote the sale of ENERGY STAR products
 - Model home displaying ENERGY STAR products
 - Hang tags identifying ENERGY STAR products







Value of the Showrooms and Electrical Distributors to ENERGY STAR



- 1. They are the link between the manufacturer and the builder
- 2. They stand to gain financially from the sale of ENERGY STAR products
- 3. They often have the ear of the builder or builder's contractor
- 4. They can show and <u>demonstrate</u> the product
- 5. If properly trained, they can explain the benefits of the product, the profit for the builder, and the value to the home buyer